

# Pacific Capital UCITS Funds plc

## Article 10 SFDR Website Disclosure in respect of

Name of Fund	Legal Entity Identifier
Pacific Global All Cap Opportunities Fund	213800LPV4GVQWFRDS98

(the “Fund”)

21 February 2025

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended (“**SFDR**”) requires certain EU-regulated entities (including Pacific Capital UCITS Funds plc, the “**Company**”) to disclose information on a public website regarding the promotion of environmental and/or social characteristics for certain financial products.

This document (hereinafter referred to as the “**Article 10 Statement**”) constitutes the transparency disclosure with respect to the Fund for the purposes of Article 10 of SFDR and is available at the following website: [www.pacificam.co.uk/core-capabilities/global-all-cap-opportunities](http://www.pacificam.co.uk/core-capabilities/global-all-cap-opportunities)

This Article 10 Statement should be read in conjunction with the latest prospectus of the Company (the “**Prospectus**”) and the Fund's supplement (the “**Supplement**”) which sets out in detail the investment policy of the Fund and its approach to sustainable investment. The Supplement also incorporates the Annex setting out certain prescribed pre-contractual disclosures required under SFDR (the “**Sustainability Annex**”).

Any capitalised terms appearing in this Article 10 Statement and not expressly defined herein shall have the meaning given to them in the Prospectus and / or the Supplement.

## Summary

This summary section has been completed in furtherance of SFDR and, in particular, Article 25 of Commission Delegated Regulation (EU) 2021/1288 ("**SFDR Level 2**") and summarises the key information referred to in the remaining sections of this Article 10 Statement.

Classification	The Fund has been classified as a fund which promotes environmental and/or social characteristics under Article 8 of SFDR.
No Sustainable Investment Objective	The Fund promotes environmental or social characteristics in accordance with Article 8 of SFDR, but does not have a sustainable investment objective as contemplated by Article 9 of SFDR .
Environmental or social characteristics of the financial product	<p>The Fund seeks to promote Environmental and/or Social characteristics.</p> <p>The Fund shall promote better environmental conditions and enhanced water quality by positive screening of target companies against such factors as greenhouse gas emissions, the use of raw materials, contribution to the circular economy, the use of renewable energy, recycling, the use of water and land and the production of waste by target companies, both prior to investment and over the investment life-cycle</p> <p>The Fund shall promote better social conditions, equality in the workforce and greater social diversity and cohesion by virtue of its positive screening of potential investments against such factors as the target company's commitment to tackling inequality in pay and other respects, labour relations and employee wellbeing, investment in economically or socially disadvantaged communities, board diversity, senior female management representation for the social characteristics.</p> <p>In addition to the above the Fund shall also promote positive social characteristics by way of exclusionary screens as further described in the body of this Article 10 disclosure.</p>
Investment Strategy	<p>The Fund shall implement its strategy to deliver long term capital growth in USD through investing primarily in equities and equity-related instruments in the developed world.</p> <p>The Investment Manager shall distil an initial investment universe of around 40,000 companies globally down to an anticipated equity investment portfolio of 30-50 stocks. This is achieved by focusing on a starting universe of all listed companies, then applying liquidity, valuation, and quality screening processes, alongside bottom-up fundamental research targeting specific companies or sectors with attractive valuation and quality metrics.</p> <p>The Investment Manager shall also have regard to such factors as executive compensation, board independence and business ethics sound management structures, employee relations, remuneration of staff and tax compliance when considering whether the proposed investment follows good governance practices. The investment team conducts regular meetings with management teams of investee companies and leverages external research to complement its own fundamental research and analysis. In pursuing the investment strategy, the Investment Manager will have regard to the promotion of ESG characteristics and have regard to the sustainability indicators, binding elements and other factors described in further detail in the Sustainability Annex and herein.</p>
Proportion of investments	The Investment Manager intends to invest a minimum of 95% of the Fund's NAV in investments which attain the environmental and social characteristics promoted by the Fund. The remaining 5% of the Fund's NAV will be in investments which seek to achieve the broader objectives of the Fund, including those which may not match the Portfolio's ESG criteria in its entirety.

Monitoring of environmental or social characteristics	The Investment Manager's portfolio management team will implement the various criteria set out in the body of this Article 10 Statement in making investment decisions. The Investment Manager's compliance function will monitor the integration of ESG requirements through a combination of automated, manual and periodic reviews.
Methodologies	The methodologies to measure how the environmental or social characteristics promoted by the Fund is met include (i) the use of certain principal adverse indicators ("PAIs"), specifically greenhouse gas ("GHG") emissions (Scope 1, 2 & 3), GHG intensity, carbon footprint & board diversity, as a proxy to measure and test how investments are performing regarding environmental and social characteristics, (ii) the application of exclusionary ESG criteria, resulting in the exclusion of certain securities where the relevant issuers derive revenue above defined thresholds from certain industries or activities that are harmful to environmental or social characteristics, including coal mining, coal extraction or coal power production, oil extraction, oil production, tobacco production and tobacco related products and services, civilian firearms production, gambling related products and services, alcohol production, cannabis production, and offensive weapons manufacturing and the manufacture of nuclear warheads or whole nuclear missiles outside of the Non-Proliferation Treaty. (iii) the application of Sustainable Accounting Standards Board ("SASB") Scores provided by TruValue Labs, a third party data service provider which analyses various publicly available sources to assess ESG risks and opportunities against 26 ESG categories as defined by the SASB, along with an overall score and a volume score.
Data sources and processing	Data sources used to attain environmental or social characteristics promoted may include both proprietary information and third party data providers including TruValue Labs as described in further detail below. Information and data is sourced from in house analysis, from direct engagement and interaction with companies, and from third parties.
Limitations to methodologies and data	Whilst it is recognised that data availability may impact the extent to which environmental or social characteristics promoted can be measured, this is managed through the use of both proprietary data and data sourced from third party data providers generally with broad capabilities and coverage.
Due diligence	The Investment Manager carries out a detailed upfront analysis of potential investments and ongoing monitoring through quantitative and qualitative analysis which may focus on the investee company's business and strategy, material sustainability and risk factors, ESG track record, management of controversies, disclosure transparency, its commitment to corporate governance and quality and experience of management.
Engagement policies	A core aspect of this due diligence is engagement with the management teams of target investment companies on all aspects of the operation of the business, the outlook for the company and its sector, major risks the business faces, and how the management team is working towards company and sector relevant environmental, social, and governance targets. The process involves engaging regularly with the investor relations departments and/or the management teams of target companies during the research phase of a new investment idea, highlighting the core ESG factors that the Fund is focussed on and requesting information and engagement on the company's own ESG strategy, targets, and frameworks. Engagement with senior management as part of the investment research process includes questioning on ESG factors to understand targets as well as raising issues the investment team feels are important for the target company to consider. The investment team will also maintain ongoing engagement with company investor relations and management teams on existing as well as emerging ESG factors. In the event of new controversies which challenge any major ESG factor, the investment team will engage actively on these issues.
Designated reference benchmark	The Fund does not have a 'Designated reference benchmark' to attain the environmental or social characteristics promoted.

## **Introduction**

This Article 10 disclosure document sets out information in relation to the sustainable investment approach of the Fund in accordance with the requirements of Articles 23 to 36 of SFDR Level 2. The headings below are in the order mandated by SFDR Level 2 and the information included beneath each heading address the prescribed information to be provided to investors pursuant to the above Articles.

As further described below, the Fund, a sub-fund of the Company, promotes, among other characteristics, certain environmental or social characteristics, provided that the companies and underlying funds in which investments are made follow good governance practices.

### **1. No Sustainable Investment Objective**

This Fund promotes environmental or social characteristics as set out below, but does not have sustainable investment as its objective.

The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

### **2. Environmental or Social Characteristics of the Fund**

The Fund promotes a cleaner environment and water quality by positive screening of target companies against such factors as greenhouse gas emissions, the use of raw materials, contribution to the circular economy, the use of renewable energy, recycling, the use of water and land and the production of waste by target companies, both prior to investment and over the investment life-cycle.

The Fund promotes better social conditions, equality in the workforce and greater social diversity and cohesion by virtue of its positive screening of potential investments against such factors as the target company's commitment to tackling inequality in pay and other respects, labour relations and employee wellbeing, investment in economically or socially disadvantaged communities, board diversity, senior female management representation for the social characteristics.

By applying the exclusionary screens set out herein, the Fund shall also promote positive social characteristics by channeling investment away from (and hence raising the cost of funding for) companies engaged in the production or manufacture of products or in the provision of services which are harmful to which are harmful to society (such as tobacco, alcohol or offensive weapons).

The Fund will seek to encourage good governance through its SRI voting in respect of investments held with the belief that this should advance principles of good corporate governance consistent with responsibilities to society as a whole and produce higher risk-adjusted returns over the long term.

### **3. Investment Strategy**

The Investment Manager considers Sustainable Accounting Standards Board ("SASB") Scores provided by TruValue Labs, a third-party data service provider which analyses various publicly available sources to assess ESG risks and opportunities against 26 ESG categories as defined by the SASB, along with an overall score and a volume score. This SASB data feed covers 19,000+ companies with more than 12 years of history and assists in providing coverage for the Fund's look-through to investments within Underlying Funds. Where data is lacking, the Investment Manager will use supplemental data or industry averages to get a greater understanding of an investment's environmental or social characteristics.

The Investment Manager tracks the performance of a target company by reviewing information provided by the company in its financial statements in accordance with relevant reporting requirements and public reporting and in due diligence information provided to the Investment Manager by the target company in one-to-one meetings. The Investment Manager will have particular regard to this information for the purposes of its positive screening described above and to determine whether the target company derives revenue above the prescribed thresholds from any of the products or activities set out in the exclusionary screening process described below.

The Manager may consider the following environmental and social criteria which may vary depending on the sector as well as data availability: Environment: resource intensity; energy consumption; waste management; and greenhouse gas emissions. Social: contribution to local communities / regeneration; avoidance of controversies; employee diversity. Governance: diversity and inclusion at senior management and board level.

When considering these criteria, the Manager aims to: understand the business activity of the company and whether a component, core component or by-product of that company's activities is, in the opinion of the Manager, a more sustainable way of doing business.

The Investment Manager will favour positive ESG score investments but may determine to invest in eligible assets with a lower ESG score where it is satisfied that such eligible asset has demonstrated a positive rate of change and it believes that a change by such target asset will have

a material impact in promoting environmental or social characteristics. The Investment Manager will seek to understand the financial materiality associated with achieving a positive rate of change in ESG scores for an eligible asset, whether that is through management strategic initiatives with regards to ESG issues or other factors. The Investment Manager may engage with the eligible assets it invests in, ie where significant ESG risks or areas for improvement are identified, with a view to implementing such improvement. Where disclosure is not available, more cautious consideration is given to the investment.

Although the Fund does not have a sustainable investment objective and does not commit to invest a minimum percentage in "sustainable investments" within the meaning of Article 2(17) of SFDR, certain principal adverse indicators ("PAIs") are used as a proxy to measure and test the environmental and social characteristics of the investments within Underlying Funds. Specifically, greenhouse gas ("GHG") emissions (Scope 1, 2 & 3), GHG intensity, carbon footprint & board diversity PAIs are used to calculate fund and company scores to measure and test how they are performing regarding environmental and social characteristics. These PAIs help the Fund in analysing the potential negative impact of underlying investments on the environment and society and the Fund will expand the list of PAIs considered as reporting by individual issuers and third-party data analysts improves over time.

Investments must follow good governance practices regarding sound management structures, employee relations, remuneration of staff and tax compliance. This is analysed through direct engagement and interaction with companies and other issuers, and leveraging data from third parties such as the TruValue Labs SASB Scores as detailed above.

The Fund will seek to encourage good governance through its SRI voting in respect of such ownership right with the belief that this should advance principles of good corporate governance consistent with responsibilities to society as a whole and produce higher risk-adjusted returns over the long term.

#### **4. Proportion of investments**

The following allocations apply to the Fund:

**#1 Aligned with E/S characteristics:** The Investment Manager intends to invest a minimum of **95%** of the Fund's NAV in investments which attain the environmental and/or social characteristics promoted by the Fund.

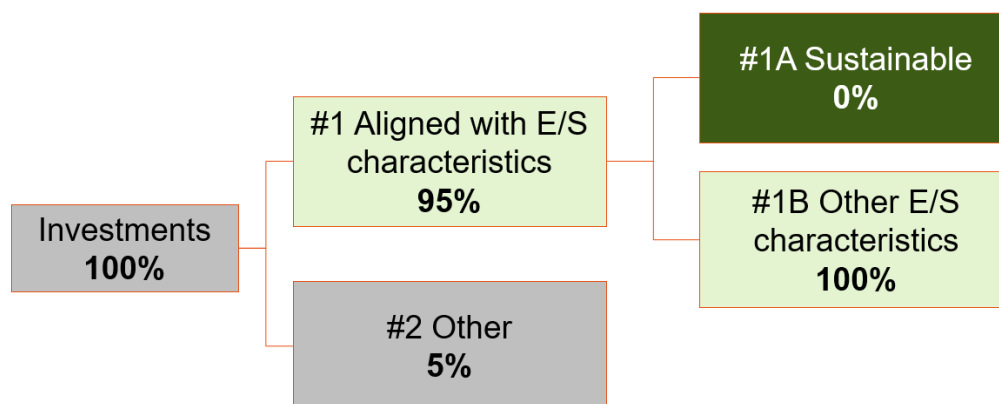
**#1A Sustainable:** The Investment Manager does not commit to invest a minimum percentage of the Fund's NAV in sustainable investments.

**#2 Other:** The remaining 5% of the Fund's NAV will be in investments which seek to achieve the broader objectives of the Fund, including those which may not match the Portfolio's ESG criteria in its entirety.

There may be times when the Fund is not in a position to maintain a minimum commitment due to extenuating circumstances or reasons beyond the control of the Investment Manager. In such circumstances, the Investment Manager will take all reasonable steps as soon as reasonably possible to rectify any deviation taking into account the best interests of Shareholders.

For the avoidance of doubt, any derivatives used by the Fund (regardless of purpose) will not be taken into consideration in this calculation. As a result, the calculation is therefore intended to represent the physical investments and holdings of the Fund.

The table below illustrates the intended allocation.



## 5. Monitoring of environmental or social characteristics

The Investment Manager reviews compliance with the environmental, social and sustainability indicators prior to investment in order to consider material sustainability risks, SASB categories, ESG criteria and PAI criteria as set out in the Supplement and this Article 10 Statement.

The output of the above evaluation process is processed and visualised using several different techniques to provide further insights into Fund exposures and characteristics. The Fund scores arising from this process are compared to benchmark scores to assess how the Fund is performing

by reference to the sustainability indicators set out herein. The process has been systematised and is run quarterly with the possibility to run on an ad-hoc basis when required. Any changes in relative and absolute performance metrics are scrutinised and once verified can be taken for discussion with the corporates.

The Investment Manager will also implement the various criteria set out in this Article 10 Statement in making investment decisions. The Investment Manager's compliance function will monitor the integration of ESG requirements through a combination of automated, manual and periodic reviews.

## 6. Methodologies

A number of metrics are utilised to measure the manner in which the Environmental and Social characteristics promoted by the Fund are met.

As part of its investment process, the investment team also applies exclusionary ESG criteria, resulting in the exclusion of certain securities where the relevant issuers derive revenue above defined thresholds from certain industries or activities that are harmful to environmental or social characteristics, including coal mining, coal extraction or coal power production, oil extraction, oil production, tobacco production and tobacco related products and services, civilian firearms production, gambling related products and services, alcohol production, cannabis production, and offensive weapons manufacturing and the manufacture of nuclear warheads or whole nuclear missiles outside of the Non-Proliferation Treaty. The relevant thresholds of revenue for exclusion of such companies are set out below.

<b>Threshold Exclusions</b>		
<b>Exclusion</b>	<b>Factor</b>	<b>Revenue Threshold</b>
Coal	Mining / Extraction Power Production	5% 20%
Oil	Extraction Production / Refining	10% 10%
Tobacco	Production Related Products and Services Sale/Distribution	0% 5% 5%
Civilian Firearms	Production Sale / Distribution	0% 5%



Gambling	Offer of Gambling Services	5%
Alcohol	Production Sale / Distribution	15% 15%
Cannabis	Production Sale / Distribution	0% 5%
Controversial Weapons	Production Sale / Distribution	0%
Nuclear weapons (warheads and missiles, fissile material, exclusive-use components)	Manufacture	0%

- (a) The Fund assesses the SASB Scores provided by TruValue Labs and described in further detail above and will exclude direct and indirect exposure to issuers who fail to meet internal scoring thresholds set by the Investment Manager.
- (b) The Fund applies the PAIs described in further detail above in respect of "sustainability indicators", including GHG emissions (Scope 1, 2 &3), GHG intensity, carbon footprint and board diversity PAIs and will limit both direct and indirect exposure to issuers who fail to meet the thresholds set by the Investment Manager as part of its internal scoring system.
- (c) The relevant target companies should also follow good governance practices in terms of its management structures, employee relations, remuneration of staff and tax compliance.

## 7. Data sources and processing

### (a) Data sources

Information and data is sourced from in-house analysis, publicly available company disclosures, from direct engagement and interaction with companies, and from third parties. Third parties include data aggregation platforms such as Bloomberg and the FactSet Revere Industry Classification System and EGS rating agencies such as Sustainalytics, MSCI, ISS and TruValue Labs. The latter is particularly important in enabling a real time, dynamic and unbiased assessment of relative performance which lies at the heart of the proprietary rating model. The FactSet Revere Industry Classification System is primarily used to evaluate corporate's sector and regional exposures. When assessing the environmental performance, the investment team sources data supplied by the relevant company which quantifies energy and water resource intensity. Social pillar performance metrics include supply chain

management practices and policies, gender and ethnic diversity, gender pay gap disclosure, employee retention performance and diversity in managerial roles. The team also considers a range of governance indicators such as degree of board diversity and independence and controversy occurrence. Such data may be supplied by data aggregators such as Bloomberg and FactSet or sourced directly from the corporates.

(b) Data quality

Data quality and coverage are regularly assessed to scrutinise outliers, fill the missing information where possible and ensure the latest available data is used. Data errors are removed where appropriate and the third party data provider is approached for an explanation and to correct the error.

(c) Data processing

The team runs a number of databases where numeric and ESG score data is stored. TVL data is downloaded and stored periodically. Additional databases are used to monitor data fed from external sources such as FactSet. The team also produces in house reports focusing on ESG characteristics and risk assessment for each company. These are updated as the new information becomes available.

(d) Estimated data

The team does not aim to produce estimates of data. In certain cases, external data feeds rely on industry averages to estimate company level data. Instead of relying on estimated data, the team aims to encourage corporates to improve their data disclosures.

## **8. Limitations to methodologies and data**

The methodology applied by ESG data providers is often inconsistent, with different providers and data sources choosing to emphasise certain factors over others, with the result that different data providers or data sources may have widely diverging views as to the environmental or social characteristics of a given issuer. Data evaluation or compliance with sustainability criteria is difficult, and not all stocks or bonds are covered with an equal quality of data.

To assess company involvement in different activities, the Investment Manager and third-party data providers strive to obtain information directly from companies. Sources of data include annual reports, regulatory filings, sustainability reports, press releases, investor presentations, company websites, and other company disclosures. Industry databases are cross-referenced to complement

company disclosures. However, the quality of available data can vary greatly, depending on the issuer, the jurisdiction in which they operate, their regulatory status and other factors.

Measurements that involve snap shots, such as the principal adverse impact indicators, can have different reference timeframes. Due to point in time assessments of, for example, previous fiscal year revenues on an individual issuer, or statements made from such an issuer that has been subject to further qualitative analysis from a third-party provider, the calculation of principal adverse impact indicators can result in a non-quantifiable margin of error. Lack of granularity in the data sources used in combination with using historical data published in, for example, annual reports means that there is both a significant time lag in snapshot metrics as well as challenges to data quality.

Historically, company disclosure in respect of carbon data has been voluntary and data providers have developed proprietary methodologies to capture outliers and in cases of non-disclosed data to use estimates. Estimates facilitate portfolio level assessments, but limits accuracy of company level assessments. Carbon emissions data quality is essential to the calculation of carbon metrics and the use of estimates may affect aggregated portfolio level data.

Other limitations include a lack of ESG disclosure by issuers, a lack of data available from third-party providers on specific topics (such as biodiversity reporting), and a lag in the frequency with third-party providers publish updated ESG data points.

The Investment Manager has access to multiple sources, which ensures diversity of inputs and assists with the abovementioned issues. The Investment Manager, in its sole discretion, retains the right to disapply data and/or ratings provided by third party vendors where it deems the data and/or ratings to be inaccurate or inappropriate. Furthermore, as the regulatory landscape and expectations around company disclosure become formalised, it is expected that the quality and accuracy of data will improve. The Investment Manager routinely engages with data providers to evaluate the quality of data points and would consider switching vendors if ongoing reviews revealed unsatisfactory data quality. These limitations do not affect the environmental or social characteristics promoted by the Fund.

## **9. Due diligence**

The Investment Manager carries out a detailed upfront analysis of potential investments and ongoing monitoring through quantitative and qualitative analysis which may focus on the assessment against the positive ESG scoring process and exclusionary criteria outlined above,

target company strategy, performance and risks. The Investment Manager will also consider each investee company's commitment to corporate governance and quality and experience of management. A quantitative systematic process as outlined above is periodically conducted to assess the entire portfolio of underlying holdings and to evaluate them against the SASB categories, ESG criteria and PAI criteria (each as set out in the Prospectus and this Article 10 Statement).

The investment teams monitor on an ongoing basis the public statements of investee companies through financial information platforms such as Bloomberg, financial statements and regulatory announcements, financial reports and accounts, results meetings and investor days and capital markets updates.

The investment team creates and maintains a financial model for each company in the portfolio. These are regularly updated to reflect the most recent public financial disclosures. The models enable the team to estimate possible valuations for holdings in the portfolio as well as conduct stress tests. ESG risks and performance may be reflected directly in forecasts and/or in risk premium metrics and, as such can affect target valuations of the portfolio holdings.

Performance monitoring is done on at least a quarterly basis in a formal setting, with ad hoc performance analysis being conducted in real time by the portfolio managers and the compliance team.

## **10. Engagement policies**

Engagement by the Investment Manager with investee companies will generally be through direct dialogue with the investor relations team and/or management teams or through exercising voting rights at general meetings. If the Investment Manager thinks an underlying portfolio company is not being managed in the interests of its clients or in a manner consistent with the environmental or social characteristics promoted by the Fund, it will decide how best to engage with the company to address this.

Where the Investment Manager has concerns about the performance or strategy of an investee company, or where it has reason to believe that a Fund's rights as a shareholder is being compromised in any way, the Investment Manager will, in appropriate circumstances, escalate its involvement with the relevant investee company. If a satisfactory response is not possible the Investment Manager may escalate this further by one or more of the actions below:

- holding additional meetings with management specifically to discuss concerns;
- intervening jointly with other institutions on particular issues;
- submitting resolutions for consideration at general meetings; and/or
- disinvesting from the relevant position.

#### **11. Designated reference benchmark**

The Fund does not have a 'Designated reference benchmark' to attain the environmental or social characteristics promoted.